

U.PORTO



# **Consumer package communication** **on tobacco products**

By

Jorge Domingos da Silveira Duarte Cidade

Master Marketing dissertation

Oriented by: Professora Amelia Brandão

2015



## Brief Biographical Note

Jorge Cidade was born in Matosinhos in 1974 and in 1998 graduated in Management at the Institute of Administration and Management. He began his professional activity in the Sales Department at Phillip Morris Portugal / Tabaqueira, SA and subsequently exercised as Business Unit Manager Midsid, SA. At this time he has responsibilities as Key Account Manager in British American Tobacco Portugal

## Acknowledgements

To all those who directly or indirectly contributed to this work, my sincere thanks and gratitude.

In particular, I must thank Professora Amelia Brandão by her total availability and quick response to all my requests, questions and doubts and all five interviewees: Fabio, Henrique, Tiago, Miguel e Oteló.

I thanks, in a special way, to all my family, especially my parents for always be ready to help me within their possibilities, to my children Henrique and Mariana for their patience and understanding since their father did not have much willingness to follow them in these lasts months. But, most of all I want to thank my wife Eugenia Cidade, for all the support in the difficult moments, in moments of doubt and her availability to replace me with father's tasks, in order for me to be focus in concluding this thesis.

# Background

---

Aims research is to contribute to the emerging literature on the role of packaging of tobacco products in order to provide a clearer explanation of this means in consumer communication.

With the legislative changes on tobacco products that have been happening, where the trend is the communication restrictions through the pack, with leading exponent - Plain packs - to be implemented in Australia and their entry in other countries already announced, it is intended to understand consumer behavior and the possibility of new ways to communicate.

This study focuses on the marketing mix in the packing dimension, including its potential to influence consumer behavior on purchase and with brands.

The study adopts a qualitative methodology using the unstructured interview method and a deductive approach, using NVivo software for its analysis.

In this investigation it was concluded that the packaging is a factor with great impact on consumer choice, particularly in consumer products for impulse. It was also found that packaging plays a key role in brand differentiation at point of sale. When we talk about tobacco product packaging it was proven that plain packs had a negative impact on brand values communication.

In terms of contribution to management, it was concluded that one way to ensure values and attributes communication of tobacco brands is communication between consumers themselves through word-of-mouth (Marketing Tribal) and retailers that selling the product. They should be able to explain features of the product to their customers.

**Keywords: Marketing communication, Package, Plain Package, Consumer, Brand communication**

# Index

<b>1. Introduction</b>	<b>7</b>
1.1 Research context at academic and management level	7
1.2 Investigation objectives and research questions	7
1.3 Methodology	8
1.4 Results	8
1.5 Structure	9
<b>2. Literature review</b>	<b>10</b>
2.1 Controversial products	10
2.2 Integrated Marketing Communication	11
2.3 Packaging as a form of Brand Communication	12
2.4 Packaging of tobacco products	15
2.5 Plain packaging of tobacco products	17
2.6 Literature review outputs	18
2.7 Research questions	19
<b>3. Methodology</b>	<b>20</b>
3.1 Data collection	20
3.2 Data codification	20
3.4 Research results and discussion	21
<b>4. Discussion</b>	<b>29</b>
<b>5. Limitations and future research</b>	<b>31</b>
<b>6. Attachements</b>	<b>32</b>
6.1 Figures	Error! Bookmark not defined.
6.1.1 Figure 1	Error! Bookmark not defined.
6.1.2 Figure 2	Error! Bookmark not defined.
6.1.3 Figure 3	Error! Bookmark not defined.
6.1.4 Figure 4	Error! Bookmark not defined.

6.1.5 Figure 5 .....	Error! Bookmark not defined.
6.1.6 Figure 6 .....	Error! Bookmark not defined.
6.1.7 Figure 7 .....	Error! Bookmark not defined.
6.1.8 Figure 8 .....	Error! Bookmark not defined.
6.2 Table 1 - Time table implementation tobacco law .....	32
6.3 Questionnaire .....	45
References .....	47

# 1. Introduction

## 1.1 Research context at academic and management level

This research was conducted as part of the Marketing Master in School of Economics and Management, Porto University.

“Today Marketing must be understood not in the old sense of making a sale – “telling and selling” – but in the new sense of satisfying customer needs” (Kotler, 2010)

With the increasing number of brands and products more and more standardized (Pantin-Sohier, 2009), it has become, to the consumer, more difficult to identify them and make the purchase decision. Therefore, utilization of the package, to communicate with consumer in the selling place, has become an essential factor to influencing the consumer choice (Underwood & Klein, 2002).

Packaging are particularly important in homogeneous consumer goods categories such as cigarettes (Freeman, Chapman, & Rimmer, 2008). Tobacco packaging provides an important means for marketers, that considering pack the “medium par excellence” for communicate with consumers (Moodie, Purves, McKell, & de Andrade, 2014).

Tobacco market is a very sensible one. The population in general has a very bad image about tobacco products. They are considered controversial products, and in recent times, the controversy regarding this product has increased exponentially, with World Health Organization the epitome of the fight against tobacco products (Fam, Waller, & Erdogan, 2004). The pressing of this organizations, made that restricted legislation about packaging of tobacco products was approved by different governments around the world, been the last one the plain package.

Plain Packaging would require the removal of colors, brand imaginary, corporate logos and trademarks, permitting manufacturers to print only the brand name in a mandated size, font and place, in addition to required health warning covering 90% of the back of packs with the warning on the front of the pack enlarged from 30% to 75% (Dunlop, Dobbins, Young, Perez, & Currow, 2014) and other legally mandated product information such as toxic constituents, tax paid scales or package contents (Freeman et al., 2008).

## 1.2 Investigation objectives and research questions

The consumer communication package on tobacco products theme is a very attractive one to tobacco industry and academy.

This theme has not been the subject of extensive studies, from the point of view of marketing decision makers from academy, and the industry need to realize the impact of legislative changes (restriction of the level of packaging) in their consumers. This study aims to further research on the impact of tobacco product packaging in consumer behavior with greater relevance in the application of plain packs.

Throughout the literature review, it was noticeable that the package has been the subject of considerable interest by marketing decision-makers and this has played a key role on brand values communication to its consumers especially in Fast Moving Consumer Goods products.

This study aims to understand the packing impact in consumer behavior in purchasing act and their relationship with the brand. This study also aims to understand the existence of options for communication with the smoker consumer where there are only plain packs.

To be able to achieve objective, after analyzed literature review, it is necessary to answer the following questions:

Q1: Does the packaging of regulated products affect the purchase behavior?

Q2: Does the cigarettes pack changings -plain packs - modify consumer behavior?

### 1.3 Methodology

The methodology that will be used is the qualitative methodology using the methods of unstructured interviews and deductive approach with support of NVivo Software

With the choice of this methodology is intended to address the issues previously made through the collection of relevant data as well as understand the perspectives and opinions of the participants of the plain packs impact in different topics.

### 1.4 Results

In this investigation it was proved that the packaging is a factor with great impact on consumer choice, particularly in consumer products for impulse. It was also found that packaging plays a key role in brand differentiation at point of sale, in the moment of truth, in the moment of consumers purchasing decisions by as well as the marketing communications of various brands. When we talk about tobacco product packaging it was proven that plain packs had a negative impact on brand values communication. Plain packs are those who managed to have a profound impact on consumer behaviour and how he evaluates a particular brand in terms of quality and brand values. In terms of contribution to management, it was concluded that one way to ensure values and attributes communication of tobacco brands is communication between consumers



themselves through word-of-mouth and retailers that selling the product. They should be able to explain features of the product to their customers. In terms of contribution to academy it is possible to say that research results converge with the literature review.

### **1.5 Structure**

This research begins with a literature review about controversial products, contextualizing the meaning of this products and the definition of its. The literature reviews continues with a review of Integrated Marketing Communication, Packaging as a Form of Brand Communication, Packaging of Tobacco Products and Plain Package of Tobacco Products.

The methodology used in this research is presented, namely the research technics, data collection and data codification.

After that the results are presented and discussed along with the limitations of this study and suggestions for future studies

## 2. Literature review

### 2.1 Controversial products

Coco Chanel, one of the world's most known designers was recently portrayed in a film about her life – *Coco before Chanel* (2009). Her posh walk, her sense of fashion and the cigarette in her mouth was frequent shown in the film. The TV-show *Blue Bloods* (2010-2015) show the principal actor drinking whisky in his relaxation moments.

The examples mentioned above, are all considerate to be controversial products and therefore have restricted possibilities to be marketed. So, when products are restricted, the Marketing Communication cannot be conducted through all the channels as products with no restrictions.

Various type of products, both goods and services, have been suggested by past studies as being controversial when advertised, including cigarettes, alcohol, contraceptives, underwear and political advertising. Academic research in this area has described these products as “unmentionables”, “socially sensitive’s products”, “decent products” or “controversial products” (Fam et al., 2004)

The competition is increasing for most products on the market and they need to be innovative regarding their Marketing; then how managers in the industries which cannot use all the creativity, what they come up with?

Most of the research that has been done on tobacco or on products mentioned before has typically been about how to prevent the effects of the communication or Marketing.

Society consider tobacco a danger, to the public health (Gallopel-Morvan, Gabriel, Le Gall-Ely, Rieunier, & Urien, 2013) and have legal as well ethical restrictions, but still of that tobacco industries exists and have Marketing, Brand Management departments. Tobacco restrictions always need to be considered by the tobacco companies marketers in their daily work, in all their decisions, as they cannot do nothing that goes against the law and ethic.

As tobacco is considered a controversial product (Fam et al., 2004) there are some limitations of how marketers can communicate it (Elliott, Wei, & Lenton, 2010). One example is the design of the pack (Gallopel-Morvan et al., 2013). This is just one example of Marketing Communication restriction on controversial products.

We can argue if a product can be classified as controversial or not. We must consider the culture of each region or country that can differentiate the type of controversy of a product. It is therefore necessary to define what a controversial product is. According (Wilson & West, 1981), controversial products are “product, services or concepts that for reasons of delicacy, decency, morality or even fear, tend to elicit reactions of delicacy, disgust, offense or outrage when mentioned or openly presented”.

Two classifications of controversial products was provided (Katsanis, 1994):

1. Cigarettes, alcohol and guns: Have a limited market but are tolerated
2. Personal hygiene products, birth control and condoms: people need and seek out, but do not discuss openly

By the definition of controversial product, mentioned above we can considered cigarettes, rum, foot deodorant, condoms, hunting rifles, weight loss programs, etc., controversial products, but in different ways and measurement.

It was considered four measurement components - private, public, controversial/harmful, not controversial/beneficial - and two levels – communications, controversy (Katsanis, 1994). This research show that cigarettes are considerate the most controversial/harmful products.

## 2.2 Integrated Marketing Communication

The definition of IMC adopted by the American Association of Advertising Agencies, and consequently one of the most frequently cited by academic and marketing industry professionals is:

“a concept of Marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – general advertising, direct response, sales promotion and public relations- and combines these disciplines to provide clarity, consistency and maximum communication impact” (Kliatchko, 2005).

Integrated Marketing Communication, have some approaches, one of them, is that IMC is not part of the marketing mix, but a holistic concept using marketing mix elements to create and strength relationship with consumer and to send a unified message. The communication effectiveness is determined by if the desired reaction is achieved by the receiver in response to the message (Mihart, 2012), and if he understand it.

In a global market characterized by high dynamism and fierce competition, organizations try to find the most efficient way to get their word out, that customers understand the benefits that can be obtained by consumption or use products or services (Clow & Baack, 2007).

The IMC concept that emerged in the last decade of the 20<sup>th</sup> century has been constantly evolved from a limited view of coordinating communications tools to a strategic process (Lane Keller, 2001; Madhavaram, Badrinarayanan, & McDonald, 2005). In this times, IMC proved to be much more than an alternative to the planning mythologies, supporting the implementation of consumer information technologies

such as CRM and loyalty programs (Kitchen & Schultz, 2009), and recognizes that increased brand equity reflects the outcome of efficient and effective customer and stakeholder relationships (Luxton, Reid, & Mavondo, 2014). If initially the concept of IMC took into account the consumer needs and interests, based on the assumption that integrating communication elements would be a value to both consumers and companies, today is a certitude that consumer is essential in driving the marketplace (Kitchen & Schultz, 2009).

Studying consumers behavior, marketers and organizations, will improve and adapt their Marketing strategies by understanding how consumers think, feel and select between different alternatives and therefore in a more effective way reach to the consumer (Mihart, 2012). Understand the consumers and consider them the focus in the business world due to the fact that the prosperity of organizations is depending in a very high way by satisfying costumers and keeping them loyal (Kotler & KELLER, 2012).

Approaching IMC as a complex system that influence consumer response using the communications potential of Marketing mix elements, solve the problem of perceived difference between the Marketing communication message and the message incorporated in price, package, brand or distribution channel (Mihart, 2012). Marketers with this approach are encourage to use multiple communication channels to reach their consumers, and as result of this approach they play another role as users/buyers of media space to ensure that their messages are well communicated (Jackson, Harrison, Swinburn, & Lawrence, 2014) . The development of this strategy, Integrated Marketing Communication, has the result of improved outcomes such as market position and financial performance as building brand equity that can be used to gain market advantage (Luxton et al., 2014).

### 2.3 Packaging as a form of Brand Communication

We can define packaging as a different variables combination selected by designers to determine the consumers desired congruence level so as to be able to create a specific sensory effect (Pantin-Sohier, 2009) or a device which communicates and advertises, whose role is to attract and to communicate information about the product and the brand (Urvoy, Sanchez, & Le Nan, 2006)

With the increasing number of brands and products more and more standardized, it has become, to the consumer, more difficult to identify them and make the purchase decision. Therefore, utilization of the package, to communicate with consumer in the selling place, has become an essential factor to influence the consumer choice (Pantin-Sohier, 2009; Underwood & Klein, 2002).

**FIGURE 1 – Brands and packs standardized**



Source: Marketeer Journal

Packaging, beside promotes consumer choice, has some other functions like protect (Kotnowski & Hammond, 2013), preserve, facilitates distribution, sells, inform and instructs, provide consumer convenience, helps contain prices, promotes hygiene and safety and innovative (Simms & Trott, 2010). So we can conclude that pack as an increasingly important role for products as a Marketing Communication vehicle for brand managers (Underwood & Klein, 2002).

**FIGURE 2 – Pack as a communication toll**



Source: Marketeer Journal

In addition is that by understanding the consumer preferences and behavior, the packaging with its attributes can be used to meet the needs of consumers and have a huge competitive advantage to the others competitors (Kotnowski & Hammond, 2013).

Scientific researchers have proved that package decisions allow attracting consumer attention, transferring the desirable information about the product, positioning the product in consumer conscious, differentiating and identifying (Underwood & Klein, 2002). In that way, elements of package influence consumer decision making process and can determine the choice of consumer and the package itself can become a sustained competitive advantage. (Butkevičienė, Stravinskienė, & Rūteliūnė, 2008)



It can be identified two lines of thought on packaging dedicated marketing literature (Liao, Corsi, Chrysochou, & Lockshin, 2015). The first line of thought approaches packaging as a set of individual elements, like shapes, colors, sizes and typefaces (Silayoi & Speece, 2004). The second line of thought consider packaging as a bundle of elements that are blended into a holistic design (Becker, van Rompay, Schifferstein, & Galetzka, 2011).

Rettie and Brewer states that 73 percent of purchase decisions are taken in the point of sale (Ruth & Carol, 2000). With the news consumptions tendencies, in many cases the consumers are evaluating different alternative brands only in point of sale and there for, the importance of communication in point of sale is increasing. With this new tendency, producers are stimulated to spend less in traditional advertising and increase attention to the communication in the purchase place. These tendencies indicate the product package significant increase as a brand communication and differentiation tool (Butkevičienė et al., 2008), comparing with other communications tools because of its easy availability (Underwood & Klein, 2002), but the pack to be successful should stand out from the shelf and competitors, by attracting consumers attention and being easily noticed (Liao et al., 2015). Even though semantic elements impact on brand evaluation, getting attention is still a key factor for the in-store buying process because attractive packaging attracts attention (Selame & Koukos, 2002). If we examine the connection between packaging and buying decisions, we establish that packaging has developed from silent salesman to a brand builder (Clement, 2007).

Packaging is an important form of Marketing Communication. It transmit relevant product information, influences consumers perceptions and consumers choices (Liao et al., 2015).

Some authors such (Ampuero & Vila, 2006), state that package is accepted as one of the most effective marketing communication tool, because: 1) it reaches almost all consumers of current product category; 2) it communicates with consumer in the moment of true - when the decision of the purchase is accepted; 3) consumers are actively involved in communication process, because they study the package, seeking to get the proper information.

Product communication strategy, which is oriented to particular target segment, specifies the communication of the package. Product positioning is implemented by marketing mix elements. Those decisions involve closely connected parts: functions of the package and components of the package, basing on the fact that the package is communicating with the consumer through its features and components of verbal and nonverbal character. Intermediaries of the package communication message are component of the package: color, form, size, images, graphics, material, fragrance, name of the product, brand, country, information about product, special offers, instructions of usage, simplicity and ecology of the package, ergonomics, innovativeness (Butkevičienė et al., 2008). All these package elements play the

function of communication. Their transferable messages involve the evaluation of the product in qualitative, quantitative, price view, the formation of the product cognitive and sensorial expectations, the impact to consumer emotions, mood and attention. The communication of the package components is attributed to the communication oriented to the message (Silayoi & Speece, 2004).

Impact of package communication on decision making process is changing. Three main factors influence the level of package communication to consumer behavior – time pressure, consumer involvement level and type of choice (Butkevičienė et al., 2008).

The importance, in packaging, of this factor increase or decrease like the involvement in the purchase process is low or high. In a purchase process with low involvement, the consumer takes the decision in the Point Of Sale and therefore packaging has a vital impact in his/her final decision. In this case the visual content allows evaluating the product quickly and easily and package can influence the positioning, purchase making process and loyalty to the brand. In a high involvement process, the search of information already started before the decision. The consumer evaluates different brands and their technical features in advance. In this case the importance of the package is not so significant.

Based on this, we can conclude that, package has a high importance in the Fast Moving Consumer Goods brands/products on the consumer decision and a low importance in the technical brand/products.

## **2.4 Packaging of tobacco products**

Packaging is particularly important in homogeneous consumer goods categories such as cigarettes (Freeman et al., 2008).

Tobacco packaging provides an important means for marketers, that considering pack the “medium par excellence” for communicate with consumers (Moodie et al., 2014). Packs conception has been an important part of the tobacco industry’s marketing efforts, as we can see in the evolution of the differences in packs since the ’20 of the last century, in terms of size (regular vs king size), consistency (soft vs hard), opening, health warnings (Kotnowski & Hammond, 2013).

**FIGURE 3 – Packs evolution**

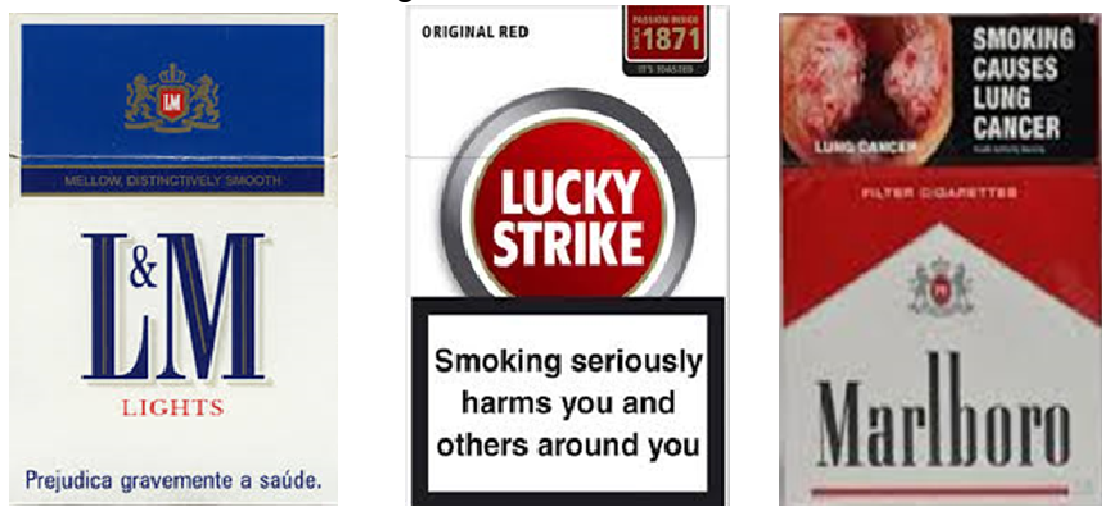


Source: Own elaboration

These companies use the entire pack as a communications tool, through pack graphics and descriptor, pack structure (Shape, Style of opening) and other pack elements such as the tear-tape, cellophane, inserts, barcodes and the cigarette itself (Moodie & Hastings, 2009)

With the increasing efforts of some health institutes, have been introduced regulations for the concept of the packaging cigarettes, with the inclusion of health warnings – phrases and graphics – and the plain packs.

**FIGURE 4 – Health warnings evolution**



Source: Own elaboration



## 2.5 Plain packaging of tobacco products

The plain packaging legislation aim to discourage people from starting smoking, encourage smokers to give up smoking and discourage relapse (Dunlop et al., 2014). Plain cigarettes were first proposed in Canada and New Zealand in the late 1980's (Davies, 2012) (Table 1). In November 2011, the Australian Parliament passed two amended tobacco plain packaging bills; which will require tobacco companies to adopt standardized brown packaging for cigarettes, with large graphic health warnings and minimal brand identification by 1 December 2012 (Davies, 2012) (Dunlop et al., 2014). Plain packaging would require the removal of colors, brand imaginary, corporate logos and trademarks, allowing manufacturers to print only the brand name in a authorized size, font and place, in addition to required health warning covering 90% of the back of packs with the warning on the front of the pack enlarged from 30% to 75% (Dunlop et al., 2014) and other legally mandated product information such as toxics constituents, tax paid scales or package contents (Freeman et al., 2008). In summary, plain packaging will introduce on the cigarettes market, standardize cigarettes and packs.

**FIGURE 5 – Standard packs**



Source: Own elaboration

Hoek et al. refer that the plain packs reduces misconceptions created by packs colors, stripped away elements of brand identity and exposed them like the antithesis of cool. Removing the brand logo the aspirational values of the different cigarettes brand will be damage, and leave the brand has a functional brand losing the emotional approach. As a result of this packaging changes, consumer considers this type of pack - Plain Packages – as old fashioned and boring, less cool, less attractive, less friendly (Hoek et al., 2012) and reduce the promotion appeal of a pack, diminish positive perceptions about the pack and reduce the appeal of smoking in general (Dunlop et al., 2014).

Despite efforts from tobacco companies to reassure consumers the tobacco products would “remain the same” with the changes packaging, the emergence of lower perceived quality and satisfaction and the increase in beliefs that brands do not differ in taste for the young-ages and mid-age population, occurred (Wakefield et al., 2015). So we can conclude that brand and brand image are very important for the differentiation between cigarettes brands.

While plain packaging removed the pack colors associated with different brands and variants and replaced it a consistent drab brown, it placed no limitation on the naming of brands and continued to permit the use of brand variant names including colors names (Government, 2011). Coinciding with the implementation of the plain packs, tobacco companies incorporated colors names into longer variant descriptors (eg. “Dunhill Distinct” became “Dunhill Distinct Blue”) and mores expressive brand variant names to suggest the sensation of feature previously connoted only by color (eg, “ Pall Mall Blue” became “Pall Mall Rich Blue”)(Wakefield et al., 2015). The aim of these developments is, clearly, to reinforce the differences.

## 2.6 Literature review outputs

The literature review outputs are described in table 1.

**TABLE 1: Literature review outputs**

Literature review outputs
1. Pack is key factor of brand communication
2. Pack is a differentiator factor
3. Pack is key to communicate in Point of Sale
4. Packs is key factor in influence consumer choice
5. Tobacco packs are key to communicate with consumer
6. Plain packs decrease perceived quality

Source: Own elaboration

## 2.7 Research questions

In summary, and following the analysis of the above literature some questions arise, that at the end of this report, I will try to answer. The questions are:

Q1: Does the packaging of regulated products affect the purchase behavior?

Q2: Does the cigarettes pack changes -plain packs - modify consumer behavior?

## 3. Methodology

The subject of this dissertation is the tobacco industry in general.

The methodology used was the qualitative methodology, using the methods of unstructured interviews (eg. Interview Questions) to five decision or ex-decision makers in tobacco products market and deductive approach:

- Henrique Almeida: Former Brand Brand Manager Marlboro at Phillip Morris Portugal
- Tiago Carapinha: Former Brand Brand Manager L&M at Phillip Morris Portugal
- Otello Burasca: Former Brand Manager Marlboro at Phillip Morris Spain
- Miguel Barros Figueira: Marketing Manager North Africa at JTI
- Fabio Jorge: North Asia Head of Marketing Strategy at British American Tobacco

By choosing this methodology it is intended to address the issues previously made through the collection of relevant data as well as understand the perspectives and opinions of the participant's on the plain packs impact in different topics.

### 3.1 Data collection

As already mentioned, in order to collect data, to this study five interviews were performed to marketing decision or ex-decision makers. All participants have/had responsibilities in decisions with impact in tobacco products packaging. Each interview lasted in average 50 minutes.

### 3.2 Data codification

By analyzing the answers of the five interviewees, it was possible to understand some relevant points to this study:

1. Package as a communication tool
  - a. Most efficient tool
  - b. Influence in consumer
  - c. Impact verbal vs no-verbal
  - d. Evolution of tobacco pack
2. Pack as a differentiator factor

3. Package impact on purchase decision process
  - a. Product types
  - b. Ranking
4. Package impact after changes in tobacco law
  - a. Consumer behavior
  - b. Consumer communication
  - c. New technology
5. Brand values communication

### 3.4 Research results and discussion

I have used the software NVivo to analyze the collected data. This software enables to perform some different analyses. The Worth Cloud is one of them, and indicates the worth's (and similar) frequency level found during the interviews. The Worth Cloud informs about the words that were mentioned more frequently - dimension of the words.

**FIGURE 6 – Worth cloud**

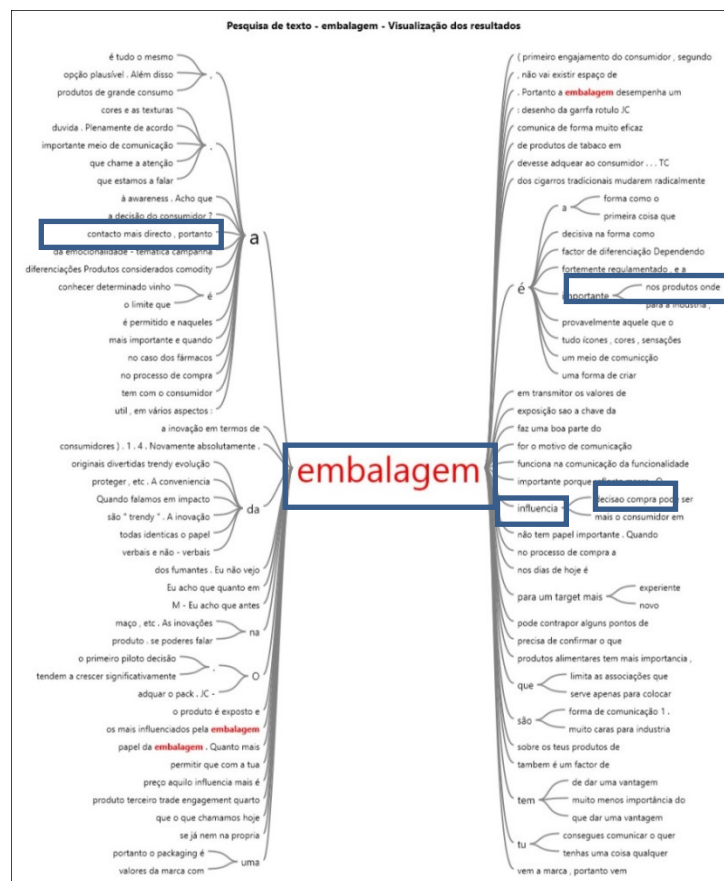


Source: Worth Cloud NVivo

As we can see in the figure above, the words with most references were consumer, pack, brand and product. With these results we can say that the product, brand, consumer and the pack are the key to an effective marketing communication. Despite of being less said, price is considered a key factor too of marketing communication in today days.

Other analyses were performed, such as worth's connections. Since these analyses have its focus on packaging, it was considered a key element, to find existing connections with word "**package**".

**FIGURE 7 – Worth connections**



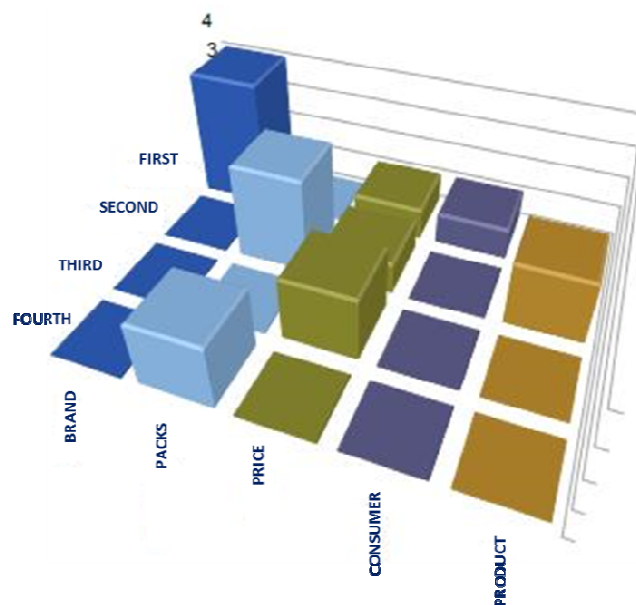
Source: Worth connections NVivo

One of the quotes with more references is that packages have influence in consumer purchase decision: "If I have equals products with similar prices but I like more of the pack of one of them I chose that one"; "For impulse driven consumption pack can be the determinant factor"; "the pack can be the moment that makes a click in the consumer mind and make him buy that brand".

The other quote also referenced is that packages have a key role in differentiation: “The pack can and must be a differentiation factor”; “The pack is a differentiation factor. Depending on the brand positioning and strategy it can be fundamental. Just think in a Red Bull can. Not only the brand and the color codes were critical for its success, but also because of the can format per se and what implied versus incumbent soft drinks.”

When asked, interviewees said that “**brand**” is the most important factor in the consumer purchase decision. Respondents were divided on importance ranking between the prices and packaging. “**Price**” has designations as first, second and third in the ranking of importance so we can conclude that price is in second in the ranking “**package**” the third. Then we can consider “**consumer**” and “**product**”.

**FIGURE 8 – Factors in the consumer purchase decision rankings**



Source: Worth Ranking NVivo

With this analysis we can conclude that pack has an important role in brands marketing communication, but it should be consider in combination with brand and price.



**Q1: Does the packaging of regulated products affect the purchase behavior?**

As mentioned in literature review chapter, controversial products are “product, services or concepts that for reasons of delicacy, decency, morality or even fear, tend to elicit reactions of delicacy, disgust, offense or outrage when mentioned or openly presented” (Wilson & West, 1981).

To understand if the packaging of regulated products affects purchase behavior, some questions, based on literature review were asked.

**FIGURE 9 – Codification analysis packaging impact in purchase decision process**

Category	Sub-category	Sub-subcategory	Sources	Referencies	% Coverage
Packaging impact in purchase decision process			5	55	17,59%
	Product Types	Tobacco Product	3	9	3,46%
		Alcohol	4	8	3,26%
		Pharmaceutical Products	3	4	1,89%

Source: Codification triangulation

55 references were made to packaging impact in purchase decision process with a 17,59% coverage rate which puts this issue with a relatively high importance degree. When we analyze the coverage rate of the types of products – tobacco (3.46%), alcohol (3.26%), pharmaceutical (1.89%) - we conclude that the pack has more influence on tobacco products and alcohol than in pharmaceuticals.

It was mentioned that in products with relative low unit price and with impulse driven consumption pack have a major influence on consumer choice. Managing packaging in this kind of products is critical because the pack will make you feel that unplanned desire to get it when you're doing (or shopping) any other thing.

Throughout the various interviews it was noted that aside from the regulation per se (in terms of pack configuration and messages), tobacco gets closer to industries of low unit price and small product size, mostly driven by impulse purchases, like alcohol, soft drinks, candy (adults), etc. They need to convince their consumers that the product will deliver the brand promise in very little space. So the 'label' design becomes critical and is studied to the millimeter. Font types and size, color combinations, reading order, etc. All these industries use state of the art methodologies, as neuromarketing tools, to assess pack design and to make sure they make the best use of a small recipient that



needs to stand out in a much cluttered shop space, and in a world where consumers are looking less and less to their environment and more to their smart phones.

“The pack will make that you don't really need to buy it, but you can with the money in your wallet.” – Fabio Jorge

“Between alcohol and tobacco we can find plenty of parallels, because we find more and more careful about the type of image on the label “– Henrique Almeida

“On cigarette packs you try to find details in a tiny space that make a difference and you can already find in the bottles, either by textures, symbol, color, design, a signing an author of that label” – Henrique Almeida

“The alcoholic beverages over time will approach tobacco”- Miguel Barros Figueira

“Cigarettes and alcohol have an important role in socialization” – Tiago Carapinha

In pharmaceutical products, intervened declared that packaging has much less importance than in FMCG products. A drug is a kind of product that is essentially purchase by prescription. Even when the consumer self-medication, takes into account the active element that can eradicate the disease. So we can say that the packaging in pharmaceutical products serve to protect the product and inform the consumer the product composition.

“A drug is a type of product that you purchase primarily by prescription, are not you choose” – Henrique Almeida

“Pharmaceutical industry communication is very limited” – Miguel Barros Figueira

“The pharmaceutical industry is very functional” – Tiago Carapinha

“Pharmaceuticals are not used by own decision but by prescription” – Tiago Carapinha

In summary we can say that the regulated products purchase takes account of the emotional element in the case of FMCG products, such as tobacco and alcohol and in case the purchase of drugs the consumers takes into account the functional characteristics of the product and the pack have to transmit these factors to consumers.

## **Q2: Does the cigarettes pack changings -plain packs - modify consumer behavior?**

The plain packaging legislation aim to discourage people from taking up smoking, encourage smokers to give up smoking and discourage relapse (Dunlop et al., 2014).

Plain Packaging would require the removal of colors, brand imaginary, corporate logos and trademarks, permitting manufacturers to print only the brand name in a mandated size, font and place, in addition to required health warning covering 90% of the back of packs with the warning on the front of the pack enlarged from 30% to 75% (Dunlop et al., 2014) and other legally mandated product information such as toxic constituents, tax paid scales or package contents (Freeman et al., 2008).

To understand if the cigarettes packs–plain packs–modify consumer behavior, it was made some questions, based in literature review.

**FIGURE 10 – Codification analysis packaging impact on tobacco products**

Categoria	Sub-categoria	Fontes	Referencia	% Cobertura
Packaging impact on tobacco products after law changes		5	34	16,02%
	Consumer Behaviour	5	9	2,62%
	Consumer Communication	5	17	8,12%
	New technology	4	4	4,47%

Source: Codification triangulation

34 references were made to packaging impact on tobacco products after law changes with a 16,02% coverage rate which puts this issue with a relatively high importance degree. When we analyze the coverage rate of three variables – Consumer behavior (2.62%), Consumer communication (8.12%), new technology (4.47%) - we can conclude that the pack change in tobacco products is the item that will have more impact on communication with the consumer.

Throughout the various interviews it was noted that the introduction of shocking pictures on tobacco product packaging It doesn't affect sensibly to brand competition, as they all apply the same regulated designs. Doesn't affect significantly to the category size, at least in the short term. After a couple of days the consumer regards that information as "wall paper" and 'discounts' its presence.

“The consumer regards that information as "wall paper" and 'discounts' its presence” – Fabio Jorge

“The consumer has been prepared for health warnings and eventually adapt”

Exception is plain packaging that just erodes all the brands, avoids competition and has a profound impact in consumer behavior.

“Only plain packs can affect consumer behavior” – Otello Burasca

It was mentioned that with the plain packs the brand identity and brand values communication with their consumers will be quite difficult because marketing communication "nonverbal" fall away and only "verbal" communication resists. There are no colors, icons, sensations there is only brand reference with the same font, color and size. Consumers no longer receive brands messages through packaging and consequently the brand loses relevance, making the choice of the consumer only based on existing brand values in their memories and / or in the product price.

“It will be much more difficult to communicate the brand values” – Henrique Almeida

It was considered by interviewees that with the introduction of plain pack will only exist the price as a differentiating factor. Brands not being able to differentiate at all its commercial product proposition goes into a very dangerous territory, due to is a risk of aspirational values loss , quality perceived and consequently loss of differentiation and transformation of emotional brands in functional brands/products.

“You will always be able to communicate the price and it will be obvious the difference” – Henrique Almeida







“Consumers will be the principal communication vehicle” – Miguel Barros Figueira

During the interviews were given some solutions to reduce the impact of this legislation, including the use of today's consumers to communicate with each other the brand aspirational values through word of mouth (Tribal Marketing) or/and the industry can work via the trade to communicate to consumers what they are selling. The retailer will need to know the proposition and should be willing to explain adult smokers that characteristics. Was also indicated as solution, the utilization of verbal communication on the package to create differentiation. The brand should be much more specific in its smoke proposal through verbal communication: Pall Mall Blue vs Pall Mall Rich Blue.

### 3.5 Triangulation between literature review outputs and research results

The triangulation between literature review outputs and research results are described at table 2.

**TABLE 2: Triangulation between literature review outputs and research results**

Literature review outputs	Research output	
	Convergent	Divergent
1. Pack is key factor of brand communication		
2. Pack is a differentiator factor		
3. Pack is key to communicate in Point of Sale		
4. Packs is key factor in influence consumer choice		
5. Tobacco packs are key to communicate with consumer		
6. Plain packs decrease perceived quality		

Source: Own elaboration

## 4. Discussion

The introduction of Plain Packs in tobacco market has created a void in brand values communication, differentiation and finish with the brand imagery in the minds of consumers.

This market change has created a major challenge to all Marketing decisors in tobacco companies: how to communicate with consumers complying with the legislation and marketing standards (industry self-regulation).

To study this subject was carried out a literature review on the topics:

- a) Integrated marketing communication
- b) Packaging as a form of brand communication
- c) Packaging of tobacco products
- d) Plain packaging of tobacco products

Analysing all these topics it was took the following conclusions:

1. Pack is an essential factor to influence consumer choice
2. Pack is a differential tool
3. Pack has an important role for marketing communication
4. Pack is considerate the medium per excellence to communicate with consumer
5. Plain packs transmit a lower perceived quality
6. Brand and brand image are very important for differentiation between tobacco brands
7. Consumers consider that plain pack reduce the pack appeal

With these findings, it also raises some questions:

Q1: Does the packaging of regulated products affect the purchase behaviour?

Q2: Does the cigarettes changings pack -plain packs - modify consumer behaviour?

, which are to develop and study with this investigation.

It was used the qualitative methodology using the method of unstructured interviews and deductive approach.

Yet, there are few studies on the packaging impact of regulated product and any changes in consumer and purchase behaviour, the findings of this research are intended to contribute to a better understanding of the impacts that changes in regulated product packaging, especially tobacco, have in consumer behaviour.

So the goal is to fill a gap regarding the investigation of these changes in a tobacco industry's perspective.

In this investigation it was proved that the packaging is a factor with great impact on consumer choice, particularly in consumer products for impulse. It was also found that packaging plays a key role in brand differentiation at point of sale, in the moment of truth, in the moment of consumers purchasing decisions by as well as the marketing communications of various brands. The importance given to the use of packaging as a means of communication is so high that all these industries use state of the art methodologies, the neuromarketing tools, to assess pack design and to make sure they make the best use of a small recipient that needs to stand out in a much cluttered shop space.

When we talk about tobacco product packaging it was proven that plain packs had a negative impact on brand values communication. Plain packs are those who managed to have a profound impact on consumer behaviour and how he evaluates a particular brand in terms of quality and brand values. With plain packs brands the brands are not being able to differentiate at all their commercial product proposition, This configure it is a risk of loss aspirational values, quality perceived and consequently loss of differentiation and transformation of emotional brands in a functional brands.

In terms and contribution to the management, analysis can be concluded that one way to ensure values and attributes communication of tobacco brands is communication between consumers themselves through word-of-mouth and retailers that selling the product. They should be able to explain features of the product to their customers.

Finally and as the legislation does not change, the use of verbal communication which still exists in the package in order to create some differentiation by name. This should be more specific in the proposed smoke you want to deliver.

## 5. Limitations and future research

---

Study principal limitation was that only has analyzed the problem from Marketing decision-makers view and do not have extended the study to consumers point of view. Another limitation was the number of interviews conducted. The tobacco industry Marketing decision-makers follow very strict rules regarding the possibility of giving their view outside.

Future research, like said before, must include consumer point-of-view and the possibility of Tribal Marketing was a possible communication strategy in market with tobacco plain packs.

## 6. Attachements

### 6.1 Table 1 - Time table implementation tobacco law

**June** **1986**  
Canadian Medical Association annual general meeting supports motion of Dr. Gerry Karr in favour of plain packaging.

**June** **1987**  
Canadian Medical Association President, Jake Dyck, calls on federal government to require "tobacco products be sold in plain, standard-size packages that state: 'This product is injurious to your health'."

**January** **1988**  
National Council on Tobacco or Health and the Non Smoker's Rights Association recommend to the committee reviewing Canada's first tobacco control law, the *Tobacco Products Control Act*, that they include in the law measures that will allow for plain or generic packaging.

**May** **1989**  
On the eve of the release of the New Zealand Toxic Substances Board Report "Health or Tobacco An End to Tobacco Advertising and Promotion," a newly formed New Zealand Coalition Against Tobacco Advertising and Promotion announces it will press for 'generic' packaging of cigarettes.

**April** **1992**  
The Australian Centre for Behavioural Research in Cancer (CBRC) publishes a report "Health Warnings and Contents Labelling on Tobacco Products" including a recommendation for standard/plain packaging.

**October** **1992**  
Australia files a notice with GATT of intention to change regulations on the labelling of tobacco products.

**1992**  
EU Labelling Standard comes into force. Warnings must cover 4% of the package surface.

**October** **1992**  
The European Smoking agency, BASP, puts out a call for plain packaging.

**March** **1993**  
Canada gazettes proposals to increase size of health warnings (from about 20% to 25% and including a border which increases the total area to about 33%) and move them to the top of the pack.

**April** **1993**  
EU GATT liaison requests Canada provide more time to comment on warning labels.



- May** **1993**  
Tobacco Institute of Australia outlines its "Taurus Strategy" to fight warnings and notes "The industry in Australia must, therefore, focus its attention increasingly on international developments in the area of GATT/TRIPS."
- June** **1993**  
Rothmans writes UK Department of Trade and EC Commission to encourage them to ask for Australia's TBT notification on package warnings "null and void"
- July** **1993**  
Australian Ministerial Council on Drug Strategy backs down on labelling proposal of April 1992 and now proposes 25% of the front, 33% of the back and a side panel.
- July** **1993**  
New Zealand Public Health Commission provides the New Zealand Tobacco Institute with a draft of a proposed tobacco policy paper "Smoke-Free New Zealand 2000" which proposes "varied warnings, packet redesign and plain packaging."
- September** **1993**  
First meeting of the inter-company Plain Pack Working Group, also known as the Plain Pack Group (PPWG/PPG).
- November** **1993**  
Industry "Plain Pack Group" holds its second meeting.
- 1994**  
US Institute of Medicine report "Growing Up Tobacco Free" recommends plain packaging be considered.
- March** **1994**  
Supreme Court of Canada denies the industries request for a stay on health warnings during the time that the challenge to the *Tobacco Products Control Act* was heard.
- March** **1994**  
The Plain Pack Group has its third meeting.
- March** **1994**  
On behalf of the Plain Pack Group, BAT solicitor writes to ask WIPO whether plain packaging is an infringement of trade mark rights.
- March** **1994**  
Ed Lang, chair of RJR-Macdonald writes Prime Minister Chretien to warn against plain packaging. Raises several concerns, including GATT/NAFTA.
- March** **1994**  
Canadian House of Commons Health Committee opens up hearings on plain packaging and holds a press conference.
- March** **1994**  
Australia gazettes regulations for national-wide regulations on pack labelling.
- March** **1994**  
Wills issues press release that warning regulations "are a clear breach of the recently

signed GATT agreement," but internally admit that their claims are not defensible ("Regrettably, there would be legal difficulties if we were required to take the matter as far as the courts, however.")

**April** **1994**  
International Trade Mark Association is asked by Rothmans to participate in Canadian hearings on plain packaging.

**April** **1994**  
Canadian Standing Committee on Health begins hearings on plain packaging.

**April** **1994**  
Rothmans circulates to other companies a note on "International Trade Aspects of Labelling", which concludes "The international trade argument by itself will not however be sufficient to ward off the threat of plain packs."

**April** **1994**  
BAT writes again to WIPO to request reply.

**April** **1994**  
Canada signs new WTO agreements.

**April** **1994**  
Plain Pack Group has its 4<sup>th</sup> meeting.

**April** **1994**  
Simon Potter provides Imperial Tobacco Canada Ltd. with its opinion on "whether the North American Free Trade Agreement or the GATT Uruguay Round Agreements offer any recourse in the event of a Canadian measure imposing plain packaging for tobacco products."

**April** **1994**  
International Trade Mark Association (Richard Berman, president) submits to Standing Committee its opinion that trademarks have value. Notably, makes no reference to protection of trademarks under international law.

**April** **1994**  
BAT provides Standing Committee with opinions by Lovell White Durrant that plain packaging is an infringement of TRIPS.

**May** **1994**  
National Intellectual Property Section of the Canadian Bar Association testifies that plain packaging violates international law.

**May** **1994**  
US/CAN Carla Hills, former U.S. Trade Representative, provides opinion that plain packaging contravenes NAFTA, and Paris Convention.

**May** **1994**  
EC rejects appeal from companies to file GATT complaint with respect to Australian warning labels.

**May****1994**

Philip Morris, which also owned Kraft Foods and other consumer good companies, threatens economic retaliation for plain packaging, telling Commons Committee that "If Canada adopts legislation in total disregard of internationally recognized trademark rights, this would be a significant consideration in any new investment decisions... [Philip Morris is] reluctant to allow its trademarks to be subject to a Government which would expropriate these valuable property rights in disregard of its international treaty obligations."

**May****1994**

Former U.S. deputy trade commissioners Julius Katz and former U.S. trade representative Carla Hills (on behalf of Philip Morris and RJ Reynolds) tells the Standing Committee that Plain Packaging would be an infringement of GATT, NAFTA and the Paris Convention.

**May****1994**

Canadian Tobacco Manufacturers Council appears before Standing Committee, and tables legal opinion by Ogilvy Renault

**May****1994**

Canadian Standing Committee on Health ends public hearings on plain packaging.

**May****1994**

BAT's high level tobacco strategy group is told that the Plain Pack Group has found "little joy" in trade agreements and that they "afford little protection" from plain package laws.

**May****1995**

New Zealand Public Health Commission pre-releases a summary of responses to its discussion paper, noting that "Several submissions support all tobacco products being sold in plain packaging, white background with standardised black lettering," but that opposition to improved warnings includes the view that "the amendments will be in breach of relevant trade-mark conventions."

**June****1994**

Wills succeeds in getting Australian Office of Regulation Review to demand a review of the new Australian regulations on labelling.

**June****1994**

John Luik is engaged by PPWG as project manager on plain package book.

**June****1994**

Canadian Standing Committee on Health presents its report on plain packaging "Towards Zero Consumption."

**June****1994**

Plain Pack Group meets.

**July****1994**

BAT Executive Directors and Heads of Department are briefed by Purdy Crawford on plain packaging developments in Canada.

**July** **1994**  
 WIPO tells BAT that there is the Paris Convention does not contain any obligation to the effect that the use of a registered trademark must be permitted.

**July** **1994**  
 BAT circulates WIPO response to other companies, saying "I anticipate that the reason he had not replied earlier was that he did not feel he had anything helpful to say. Certainly his letter does not take us further."

**July** **1994**  
 David Bacon presents an analysis of that there is "little joy" in trade agreements for tobacco companies to BAT's General Managers.

**Aug** **1994**  
 Former U.S. Register of Copyrights, Ralph Oman, writes WIPO and sends May 3 opinion from Carla Hills.

**August** **1994**  
 WIPO tells Ralph Oman that Carla Hill's opinion is wrong.

**September** **1994**  
 International Chamber of Commerce, after a request from BAT, writes Canada's trade minister, Roy MacLaren, to repeat the opinion that Canada's obligations under the Paris Convention stood in the way of plain packaging.

**October** **1994**  
 9th World Conference on Tobacco or Health passes a resolution in favour of plain packaging of cigarettes.

**October** **1994**  
 Plain Pack Working Group meets

**November** **1994**  
 Health Canada tables response to Standing Committee report, deferring decision until "the findings of an Expert Panel on the role of genetic packaging in reducing the inducement to purchase and use tobacco products will be taken into account, as will the international trade, contraband and economic implications of generic packaging... The legal ramifications of generic packaging must also be considered."

**January** **1995**  
 The U.K. companies meet with the Department of Health to discuss forthcoming legislation on labelling and are pleased to hear the public servants and Minister are on their side and "keen to kill off the Lewis Bill at an early stage." They also note that the UK is blocking the EU directive on advertising. BAT marshals IP arguments against Terry Lewis' bill on tobacco labelling.

**January** **1995**  
 Washington State Senator Mike Heavey proposes legislation to require plain packaging.(Senate Bill 5300). PM International provides materials used in Canada to combat "Seattle Plain Packaging Proposal"

**February****1995**

BAT's Australian subsidiary, WD & HO Wills tells the Australian Senate that generic packaging would violate international law and the Australian constitution.

**March****1995**

Tobacco Institute of Hong Kong tells Hong Kong government that its proposed Smoking (Public Health) (Amendment) Bill 1996 would diminish commercial value of trademarks and may violate Paris Convention, GATT and TRIPS.

**May****1995**

Health Canada releases its expert report "When packages can't speak." Industry responds by repeating trade concerns.

**May****1995**

BAT writes Thai government to signal Ingredient disclosure regulation as a breach of intellectual property.

**July****1995**

Australian Medical Association says it will be pushing for Plain Packaging.

**July****1995**

Australian health minister Carmen Lawrence rejects the idea of plain packaging on international trade and legal grounds. "A spokeswoman for the Minister of Health, Dr. Lawrence, said this would breach constitutional requirements for free trade. "Unfortunately, it is just not feasible," the spokeswoman said "We would have to buy the tobacco companies' trademarks and that would cost us hundreds of millions of dollars".

**September****1995**

Supreme Court of Canada strikes down *Tobacco Products Control Act*.

**December****1995**

Health Canada releases a "*Blueprint to protect the health of Canadians*," a framework for renewed legislation that makes scant mention of plain packaging.

**December****1995**

Australian Senate Community Affairs References Committee releases its (160 page) report. "The Committee considers that, on the basis of the evidence received, there is not sufficient evidence to recommend that tobacco products be sold in generic packaging."

**December****1996**

David Dingwall tells parliamentary committee that companies must be allowed to display their trademark names in accordance with Canada's constitution and international law.

**February****1997**

Lithuania Constitutional Court notes that a ban on alcohol advertising does not violate Paris Convention. "The Constitutional Court notes that the disputed laws do not contain any norms which imposed direct prohibition to make use of trade marks ...there are no legal grounds to assert that the right to a trade mark has priority over people's health."

**September****1997**

Australian government formally replies to Senate Committee Report: "In response to the mounting interest in generic packaging, the Commonwealth obtained advice from the Attorney General's Department on the legal and constitutional barriers to generic packaging. This advice indicates that the Commonwealth does possess powers under the Constitution to introduce such packaging but that any attempt to use these powers to introduce further tobacco control legislation needs to be considered in the context of the increasingly critical attention being focussed on the necessity, appropriateness, justification and basis for regulation by such bodies as the Office of Regulatory Review, the High Court, and Senate Standing Committees. In addition, further regulation needs to be considered in the context of Australia's international obligations regarding free trade under the General Agreement on Tariffs and Trade (GATT), and our obligations under international covenants such as the Paris Convention for the Protection of Industrial Property, and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)."

**October****1997**

BAT writes EC Commission DG Johannes Beseler to complain about Thailand's ingredient disclosure

**December****1997**

EC DG Beserer replies to BAT to suggest that while Thailand was being asked to provide notice of TBT, that they did not see a problem with compliance. "Article 39.2 of the TRIPS agreement only aims to prevent information from being disclosed to, acquired by, or used by others without consent of the lawful owner. Article 39.2 does not deal with the question whether or not a Government is allowed to ask for information, e.g. for the grant of marketing approval of certain products."

**1998**

Book on plain packaging, edited by John Luik is published with funding from all of the major multinational tobacco companies. Six chapters are written or co-written by Canadians.

**April****1988**

The journal ADDICTION [publishes a paper](#) by Becky Freeman, Simon Chapman and Mathew Rimmer reviewing the evidence supporting the implementation of Plain Packaging and the consistency of this measure with the FCTC

**October****1998**

Germany's federal health ministry lodged an appeal for the annulment of EU Directive 98/43 (advertising) as does Salamander GA. Salamander argues that directive is non-compliant with TRIPS, WTO and Paris Convention.

**March,****1999**

Philip Morris and BAT submit to the Australian consultation on a new national strategy for tobacco control, and warns that generic packaging would be a violation of IP rights (cites government response in 1997).

**1999**

Health Canada includes plain packaging as an option for restrictions on tobacco promotions, but regulations never developed further.



**August****1999**

Ceylon Tobacco Company informs its government that the proposed national authority on tobacco and alcohol act that require information "would raise serious issues under Article – of the Sri Lankan Constitution as well as under a number of international agreements to which Sri Lanka is a signatory, including the Paris Convention."

**August****1999**

CTMC says that a new (50%) Canadian health warnings are a violation of international trade law. "They would thus violate several of Canada's treaty obligations undertaken under Chapter 3cl and XVII of the North American Free Trade Agreement (NAFTA). Such violations would expose Canada to legitimate and well-founded complaints under World Trade Organization agreements such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Paris Convention for the Protection of Industrial Property and under the NAFTA .They would also expose Canada to obligatory and binding arbitration under Chapter XI of the NAFTA to set the compensation due to the owners of those trademarks."

**2000:**

British-American Tobacco's Submission to the WHO's Framework Convention on Tobacco Control warned that " The WHO's proposals to ban tobacco advertising and descriptors such as 'Lights', could infringe commercial and intellectual property rights guaranteed in international law and could clash with provisions embodied in national constitutions protecting freedom of speech.

**January****2000**

Canada gazettes proposals to implement 50% graphic warning messages on cigarette packages.

**March****2000**

Confederation of European Community Cigarette Manufacturers Ltd .briefs the EU in response to the proposed ban on light and mild and claims it is a violation of TRIPS and Paris Convention in the case of names like "Mild Seven".

**June****2000**

Hong Kong attorneys provide legal opinion that Private Member's bill to amend Hong Kong's smoking act is a violation of intellectual property agreements.

**August****2000**

Japan Tobacco submits that the FCTC would violate IP laws if it banned descriptors.

**October****2000**

BAT writes to the EC to complain about Canada's new health warning messages

**February****2001**

EC Director General M.P. Carl writes BAT to note "the very strong concerns" about the Canadian regulations and to inform them "that our conclusion is that there is little action that the commission feels able to undertake to address these problem directly. Our initial assessment is that the measures are probably compatible with WTO rules."

**September****2001**

Japan Tobacco International filed a complaint in mid-September 2001 with the European Court of First instance claiming that the ban on 'light' and 'mild' was a violation of intellectual property laws. The law came into force, as predicted, on

**September****2003.**

Thompson, G Fighting health warnings: The use by the tobacco industry of international intellectual property law [http://www.ash.org.nz/index.php?pa\\_id=60](http://www.ash.org.nz/index.php?pa_id=60)  
 Directive 2001/37/EC of the European Parliament and of the Council of 5 June 2001 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco products - Commission statement

**December****2001**

Health Canada publishes a Notice of Intent in the Canada Gazette, proposing a ban on the terms "light" and "mild", but not on synonyms, or the use of colours or numbers to suggest one product is less harmful than another.

**February****2002**

On behalf of tobacco companies, the U.S. National Institute of Standards and Technology writes the Canadian GATT Enquiry point to ask for a delay in the deadline for comments in the ban on light and mild.

**February****2002**

Philip Morris submits comments on proposed ban on 'light' and 'mild' saying that "banning such terms on tobacco packaging would violate Canada's obligations under the North American Free Trade Agreement ("NAFTA"), the World Trade Organization's Agreement on Technical Barriers to Trade ("TBT") and the Agreement on Trade Related Aspects of Intellectual Property ("TRIPS").

**November****2007**

European Commission identifies plain packaging as a measure to be explored: *"In order to decrease the smoking initiation and to protect EU consumers on equal basis in all Member States the introduction of generic (black & white) standardised packaging for all tobacco products could be explored as a possibility to reduce the attractiveness."*

**May****2008**

The U.K. government launches a consultation on "The Future of Tobacco Control" and "seeks views from stakeholders and members of the public on the potential for plain packaging of tobacco products."

**September****2008**

Philip Morris responds to the U.K. consultation paper saying that "plain packaging will squarely conflict with" TRIPS and the Paris Convention.

**September****2008**

British American Tobacco responds to the U.K. consultation paper saying that "the government's power to introduce plain packaging is constrained by law... also by international law, including the WTO Agreement on Trade-Related Aspects of intellectual Property Rights (TRIPS).

**September****2008**

Japan Tobacco responds to the U.K. consultation paper saying that plain packaging would be "in breach" of TRIPS and the Paris Convention.

**September****2008**

European Communities Trade Mark Association responds to UK consultation and says that plain packaging "would involve various violations of treaty obligation... [and] is



contrary to the harmonised EU and international systems of trade mark protection, including in particular Articles 15(4), 20 and 8(1) of the World Trade Organisation's agreement on Trade Related Aspects of Intellectual Property Matters ('TRIPS') and Articles 6quinquies and 7 of the Paris Convention. As noted above, this was a matter of some concern when the matter was considered in Canada."

**October, 2008**

Parties to the Framework Convention on Tobacco Control adopt [guidelines on advertising and package labelling](#) that recommend the use of plain packaging.

**August 2009**

Australian Senator Steve Fielding introduces a bill to require plain packaging of tobacco products.

**September 2009**

Australian Health Minister releases the [report of the National Preventative Health Taskforce](#) which recommends plain packaging as part of a comprehensive package of measures to make Australia the healthiest country in the world by 2020.

**April 2010**

Australian Prime Minister Kevin Rudd Announces that plain packaging will be required on packages sold in Australia after January 2012

**September 2010**

European Union initiates public consultation on revision of its 2001 tobacco directive and offers plain packaging as an option.

**November 2010**

New Zealand Maori Affairs Committee recommends plain packaging in its report to government.

**November 2010**

U.K. Health Secretary Andrew Lansley issued a policy document suggesting that "the government will look at whether the plain packaging of tobacco products could be an effective way to reduce the number of young people taking up smoking and to help those who are trying to quit smoking."

**December 2010**

French parliamentarian, Yves Bur, introduces a bill to implement plain packaging

**January 2011**

Belgium's Health Minister expresses support for plain packaging in response to a question in parliament.

**March 2011**

UK government releases a tobacco control plan which repeats its intention to consider plain packaging.

**March 2011**

New Zealand government responds to Maori Affairs Committee say it may align its labelling with Australia.

- April** **2011**  
Australian Government releases draft legislation for plain packaging
- April** **2011**  
New Zealand Associate Health Minister says "it is my expectation that New Zealand will inevitably follow their [Australia's] lead and look to introduce the plain packaging of tobacco products."
- April** **2011**  
Australia notifies the World Trade Organization of its intention to implement plain packaging.
- May** **2011**  
Belgium member of parliament, Dr. Catherine Fonck, tables a bill to require plain packaging.
- May** **2011**  
Australian Health Minister defends plain packaging on national news program.
- June** **2011**  
At the spring meeting of the the WTO TRIPS council, plain packaging is challenged as being a violation of trademark rights.
- June** **2011**  
Australia's proposal for Plain Packaging is discussed at the June 15-16 meeting of WTO's Technical Barriers to Trade Committee. Fourteen countries raise trade concerns, arguing "that such regulations could create an unnecessary barrier to trade" and that plain packaging is "more trade restrictive than necessary".
- June** **2011**  
Philip Morris International threatens it will sue Australian government under a bilateral investment treaty with Hong Kong.
- July** **2011**  
the Tobacco Plain Packaging Bill 2011 and Trade Marks Amendment (Tobacco Plain Packaging) 2011 are introduced in the Australian Parliament, in the House of Representatives. "This world first initiative sends a clear message that the glamour is gone from smoking," Minister for Health and Ageing
- August** **2011**  
Australia's House of Representatives' Health and Aging Committee tabled its advisory report into the legislation.
- August** **2011**  
Australia's lower house approves the two tobacco plain packaging bills.
- October** **2011**  
BAT threatens to suspend supply of cigarettes if Australian implementation date not changed.
- November** **2011**  
Australia's Health Minister, Nicolas Roxon, announces that the implementation of plain

packaging will be delayed until December 1, 2012 as a result of delays in the Senate review of the bill.

**November 10, 2011**  
Australia's Senate passes the set of laws to implement plain packaging. Because the implementation date was amended, the laws must also be re-approved by the lower House.

**November 2011**  
Australia's lower House of Representatives approves amended timeline to the Plain Packaging Bill. The law as passed.

**November 2011**  
Philip Morris announces that in addition to a suit for arbitration under Australia's Investment Treaty treaty Hong Kong, it will pursue claims under Australian law.

**December 2011**  
British American Tobacco initiates proceedings in Australia's High Court to test the validity of the law as it relates to property rights of two brands, Winfield and Dunhill.

**December 2011**  
Japan Tobacco files a Writ of Summons against the Australian Government alleging that the plain packaging law infringes its trademark rights.

**December 2011**  
Philip Morris Australia files a Writ of Summons against the Australian Government alleging that the plain packaging law infringes its trademark and property rights.

**January 2012**  
Brunei's Ministry of Health hosts a WHO meeting on Plain Packaging.

**February 2012**

In the High Court of Australia, the Australia's government files its defence to claims from tobacco companies.

**March 2012**

The Ukraine [launched a dispute](#) at the WTO by requesting consultations with Australia.

**April 2012**

Honduras requests consultations with Australia, launching a second WTO dispute.

**April 2012**

U.K. consultation on plain packaging begins. (Closing date is 10 July 2012)

**April****2012**

Australia's High Court holds hearings into industry challenges to plain packaging.

**May****2012**

Officials in Australia's Health Ministry [report](#) that during the WTO consultations on plain packaging, they observed that tobacco industry officials were providing legal assistance to Ukraine and Honduras, who had filed the WTO complaints.

**July****2012**

Dominican Republic launches the third WTO challenge to plain packaging when it requests WTO consultations with Australia concerning plain packaging for tobacco products.

**July****2012**

The New Zealand Ministry of Health issued a ["Proposal to introduce plain packaging of tobacco products in New Zealand"](#), as well as [a consultation document](#) and [regulatory impact statement](#). Cabinet [background papers](#) were also released. The closing date for submissions is Friday October 5, 2012.

**August****2012**

Australia's High Court rejects the tobacco industry constitutional challenge to plain packaging.

## 6.2 Questionnaire

### Consumption in general

#### Packaging as a form of brand communication

1. With the increasing of the number of brands and its standardization, the consumers have more difficulties to identify the different brands on the point of sale.

1.1 The package is taken into account, as a communication tool for marketing. What is your opinion on this subject?

1.1.1 Which communication tools is more efficient?

1.2 In general, in which kind of products, the packaging has more influence on purchase consumer's choice?

1.3 The verbal and nonverbal package components are forms of communication. Do you agree?

1.3.1 What is the impact...

1.3.1.1 on the brand?

1.3.1.2 on consumer behavior?

1.3.2 What is the order of importance?

1.3.2.1 Verbal and non-verbal

1.4 The packaging can be considered a differentiation factor??

1.4.1 If yes, can it influence the purchase decision?

1.4.2 In what way?

### Tobacco industry

#### Packaging of tobacco products

2. Since the beginning of this century, it has been observed that packaging of products considered controversial, particularly in cigarettes, have been the target of various authorities, through the placement of health warnings that have distorted the brand communication, the font size and shocking images.

2.1 What is your opinion about the innovations that have occurred over time in terms of packaging?

2.1.1 And about its implementation?

2.1.2 And about the results?

2.2 In what ranking of importance you place the package on purchase decision? (Others if not the 1st)

2.3 What are the parallelisms between tobacco products packaging and other regulated products (e.g.: pharmaceutical and beverages).

2.4 How the introductions of new health warnings may affect consumer behavior?

2.4.1 Size + health warning shocking photos

2.4.2 On purchase decision

2.5 Considering the legislation changes planned for the package, namely the plain packs/standard packs, how it will be possible to communicate with the consumer (brand values, positioning, pricing, etc.)

2.6 How the industry can adapt to this new reality?

2.6.1 New technologies could be considered a solution?

2.6.2 The augmented reality can be considered a solution?

3. Considering packaging as a tool for brand communication and considering changes in legislation that have occurred and are ongoing, how you consider the importance of communication of brand values? Which instruments can be used?

## References

- Ampuero, Olga, & Vila, Natalia. (2006). Consumer perceptions of product packaging. *Journal of Consumer Marketing*, 23(2), 100-112. doi: 10.1108/07363760610655032
- Becker, Liza, van Rompay, Thomas J. L., Schifferstein, Hendrik N. J., & Galetzka, Mirjam. (2011). Tough package, strong taste: The influence of packaging design on taste impressions and product evaluations. *Food Quality and Preference*, 22(1), 17-23. doi: 10.1016/j.foodqual.2010.06.007
- Butkevičienė, Vitalija, Stravinskienė, Jurgita, & Rūtelionė, Aušra. (2008). Impact of Consumer Package Communication on Consumer Decision Making Process. *Engineering Economics*, 56(1), 57-65.
- Clement, Jesper. (2007). Visual influence on in-store buying decisions: an eye-track experiment on the visual influence of packaging design. *Journal of Marketing Management*, 23(9/10), 917-928.
- Clow, K.E., & Baack, D. (2007). *Integrated advertising, promotion, and marketing communications*: Pearson Prentice Hall.
- Davies, Lorraine. (2012). Plain cigarette packaging: A policy analysis of Australia's integrated "whole-of-system" model for smoking cessation. *Health*, 04(12), 1271-1275. doi: 10.4236/health.2012.412187
- Dunlop, Sally M, Dobbins, Timothy, Young, Jane M, Perez, Donna, & Currow, David C. (2014). Impact of Australia's introduction of tobacco plain packs on adult smokers' pack-related perceptions and responses: results from a continuous tracking survey. *BMJ Open*, 4(12). doi: 10.1136/bmjopen-2014-005836
- Elliott, Caroline, Wei, Yingqi, & Lenton, Pamela. (2010). The Effect of Government Policy on Tobacco Advertising Strategies. *Bulletin of Economic Research*, 62(3), 243-258. doi: <http://onlinelibrary.wiley.com/journal/10.1111/%28ISSN%291467-8586/issues>
- Fam, Kim Shyan, Waller, David S., & Erdogan, B. Zafer. (2004). The influence of religion on attitudes towards the advertising of controversial products. *European Journal of Marketing*, 38(5/6), 537-555. doi: 10.1108/03090560410529204
- Freeman, B., Chapman, S., & Rimmer, M. (2008). The case for the plain packaging of tobacco products. *Addiction*, 103(4), 580-590. doi: 10.1111/j.1360-0443.2008.02145.x
- Gallopel-Morvan, Karine, Gabriel, Patrick, Le Gall-Ely, Marine, Rieunier, Sophie, & Urien, Bertrand. (2013). Plain packaging and public health: The case of tobacco. *Journal of Business Research*, 66(1), 133-136. doi: <http://dx.doi.org/10.1016/j.jbusres.2012.09.004>
- Tobacco Plain Packaging Act 2011 (nº.148) (2011).
- Hoek, J., Gendall, P., Gifford, H., Pirikahu, G., McCool, J., Pene, G., . . . Thomson, G. (2012). Tobacco branding, plain packaging, pictorial warnings, and symbolic consumption. *Qual Health Res*, 22(5), 630-639. doi: 10.1177/1049732311431070
- Jackson, Michaela, Harrison, Paul, Swinburn, Boyd, & Lawrence, Mark. (2014). Unhealthy food, integrated marketing communication and power: a critical analysis. *Critical Public Health*, 24(4), 489-505. doi: 10.1080/09581596.2013.878454



- Katsanis, Lea Prevel. (1994). Do Unmentionable Products Still Exist?: An Empirical Investigation. *Journal of Product & Brand Management*, 3(4), 5-14. doi: 10.1108/10610429410073093
- Kitchen, Philip J., & Schultz, Don E. (2009). IMC: New horizon/false dawn for a marketplace in turmoil? *Journal of Marketing Communications*, 15(2/3), 197-204. doi: 10.1080/13527260903003793
- Kliatchko, Jerry. (2005). Towards a new definition of Integrated Marketing Communications (IMC). *International Journal of Advertising*, 24(1), 7-34. doi: 10.1080/02650487.2005.11072902
- Kotler, Philip. (2010). *Principles of Marketing*
- Kotler, Philip, & KELLER, KEVIN LANE (2012). Marketing Management 14th Edition. In I. Pearson Education (Ed.), *Marketing Management 14th Edition* (pp. 122-212).
- Kotnowski, Kathy, & Hammond, David. (2013). The impact of cigarette pack shape, size and opening: evidence from tobacco company documents. *Addiction*, 108(9), 1658-1668.
- Lane Keller, Kevin. (2001). Mastering the Marketing Communications Mix: Micro and Macro Perspectives on Integrated Marketing Communication Programs. *Journal of Marketing Management*, 17(7-8), 819-847. doi: 10.1362/026725701323366836
- Liao, Lewis Xinwei, Corsi, Armando Maria, Chrysochou, Polymeros, & Lockshin, Larry. (2015). Emotional responses towards food packaging: A joint application of self-report and physiological measures of emotion. *Food Quality and Preference*, 42, 48-55. doi: 10.1016/j.foodqual.2015.01.009
- Luxton, Sandra, Reid, Mike, & Mavondo, Felix. (2014). Integrated Marketing Communication Capability and Brand Performance. *Journal of Advertising*, 44(1), 37-46. doi: 10.1080/00913367.2014.934938
- Madhavaram, Sreedhar, Badrinarayanan, Vishag, & McDonald, Robert E. (2005). Integrated Marketing Communication (IMC) and Brand Identity as Critical Components of Brand Equity Strategy. *Journal of Advertising*, 34(4), 69-80.
- Mihart, Camelia. (2012). Modelling the Influence of Integrated Marketing Communication on Consumer Behaviour: An Approach based on Hierarchy of Effects Concept. *Procedia - Social and Behavioral Sciences*, 62(0), 975-980. doi: <http://dx.doi.org/10.1016/j.sbspro.2012.09.166>
- Moodie, Crawford, & Hastings, Gerard B. (2009). Making the Pack the Hero, Tobacco Industry Response to Marketing Restrictions in the UK: Findings from a Long-Term Audit. *International Journal of Mental Health and Addiction*, 9(1), 24-38. doi: 10.1007/s11469-009-9247-8
- Moodie, Crawford, Purves, Richard, McKell, Jennifer, & de Andrade, Marisa. (2014). Novel Means of Using Cigarette Packaging and Cigarettes to Communicate Health Risk and Cessation Messages: A Qualitative Study. *International Journal of Mental Health and Addiction*, 13(3), 333-344. doi: 10.1007/s11469-014-9530-1
- Pantin-Sohier, Gaëlle. (2009). The Influence of the Product Package on Functional and Symbolic Associations of Brand Image. *Recherche et Applications en Marketing (English Edition) (AFM c/o ESCP-EAP)*, 24(2), 53-71.
- Ruth, Rettie, & Carol, Brewer. (2000). The verbal and visual components of package design. *Journal of Product & Brand Management*, 9(1), 56.

- Selame, Ted, & Koukos, Penny. (2002). Is your package shelf-evident? *Design Management Journal*.
- Silayoi, Pinya, & Speece, Mark. (2004). Packaging and purchase decisions: An exploratory study on the impact of involvement level and time pressure. *British Food Journal*, 106(8), 607-628. doi: 10.1108/00070700410553602
- Simms, C., & Trott, P. (2010). Packaging development: A conceptual framework for identifying new product opportunities. *Marketing Theory*, 10(4), 397-415. doi: 10.1177/1470593110382826
- Underwood, Robert L., & Klein, Noreen M. (2002). PACKAGING AS BRAND COMMUNICATION: EFFECTS OF PRODUCT PICTURES ON CONSUMER RESPONSES TO THE PACKAGE AND BRAND. *Journal of Marketing Theory & Practice*, 10(4), 58.
- Urvoy, Jean-jacques, Sanchez, Sophie , & Le Nan, Erwann (2006). *Packaging, toutes les étapes du concept au consommateur Éditions d'Organisation Paris*
- Wakefield, M., Coomber, K., Zacher, M., Durkin, S., Brennan, E., & Scollo, M. (2015). Australian adult smokers' responses to plain packaging with larger graphic health warnings 1 year after implementation: results from a national cross-sectional tracking survey. *Tobacco Control*, 24(Supplement 2), ii17-ii25. doi: 10.1136/tobaccocontrol-2014-052050
- Wilson, Aubrey, & West, Christopher. (1981). The marketing of 'unmentionables'. *Harvard Business Review*, 59(1), 91-102.